DRAFT

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of	)	
	)	
Application by SBC Communications Inc.,	)	
Illinois Bell Telephone Company d/b/a	)	
Ameritech Illinois and Southwestern Bell	)	CC Docket No. _____
Communications Services, Inc. d/b/a Ameritech	)	
Long Distance for Provision of In-Region,	)	
InterLATA Services in Illinois	)	

****PUBLIC****
AFFIDAVIT OF DEBORAH O. HERITAGE
ON BEHALF OF AMERITECH

STATE OF ILLINOIS)
)
COUNTY OF COOK)

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STATE OF COMPETITION AFFIDAVIT

I, Deborah O. Heritage, being of lawful age and duly sworn upon my oath, do hereby depose and state as follows:

1. My name is Deborah O. Heritage. My title is Director–Compliance for SBC/Ameritech. My business address is 2000 W. Ameritech Center Drive, Room 4G44, Hoffman Estates, Illinois, 60196.

PROFESSIONAL EXPERIENCE

2. I began employment with Southwestern Bell Telephone Company (SWBT) in June 1973. During this 28-year period, I have served in numerous management positions in the Network, External Affairs and Regulatory organizations. My assignment with SBC prior to the move to Ameritech was as State Regulatory and Industry Relations Director in Arkansas. In this capacity, I managed service contracts, interconnection agreements and compensation arrangements with other incumbent local exchange companies and handled the state regulatory docket issues related to these business arrangements. In 2000, I was appointed to my current position as Director-Compliance in the Long Distance Compliance organization in Ameritech. In this capacity, I assist the state regulatory organizations with "Track A" filings and 271-related OSS and process improvements in preparation for 271 proceedings in the Ameritech region. These responsibilities include supporting the development and implementation of products, processes and related policies for competitive local exchange carriers ("CLECs"). I also represent Ameritech before regulatory bodies and in other external forums, including industry collaboratives, related to

operational issues, process improvements, market conditions and the status of local exchange competition.

PURPOSE OF AFFIDAVIT

3. My affidavit describes the status of local exchange competition in Illinois since the enactment of the Federal Telecommunications Act of 1996 ("Act") and demonstrates that Illinois Bell Telephone Company, d/b/a Ameritech Illinois or Ameritech ("Ameritech"),[1] has met the requirements of "Track A" under 47 U.S.C. §271(c)(1)(A). This affidavit focuses specifically on CLECs, how and where they are operating in Illinois, and the market segments in which they are competing. All information is current as of September 2001, unless otherwise noted. (See Attachment A.) The information focuses on CLEC entry in Illinois, and excludes all data associated with an SBC/Ameritech affiliate.[2]

CLEC MARKET ENTRY IN ILLINOIS

4. Local competition continues to thrive in Illinois. As of June 2001, more than 280 CLECs were certified to provide local services in Illinois. (See Attachment B.) Moreover, as of November 2001, Ameritech had entered into 145 approved wireline interconnection and resale agreements in Illinois. As described in detail in Attachment C, 10 CLECs with approved interconnection agreements are competing providers of telephone exchange service to business and residential customers, either exclusively or predominately over their

[1] Illinois Bell Telephone Company, an Illinois corporation, is a wholly owned subsidiary of Ameritech Corporation, which owns the former Bell operating companies in the states of Illinois, Michigan, Wisconsin, Indiana, and Ohio. Ameritech Corporation is a wholly owned subsidiary of SBC Communications, Inc. Illinois Bell offers telecommunications services and operates under the names "Ameritech" and "Ameritech Illinois" pursuant to assumed name filings with the state of Illinois.

own telephone exchange facilities. These CLECs present actual commercial alternatives to Ameritech Illinois and thereby constitute "Track A" carriers in Illinois.

5. These CLECs demonstrate that the local market in Illinois is open to competition. As discussed in more detail below, Ameritech uses three conservative methods to estimate the number of lines served by facilities-based CLECs in Illinois. Two of these methods are based on the number of interconnection trunks leased by CLECs in the state, and the third is based on the CLECs' own entries in the E911 database. As Tables 1 and 2 below demonstrate, each of these methodologies, whether considered in isolation or together with CLECs' resold services, shows that CLECs are successfully taking advantage of Illinois' open local market.

Table 1
Facilities-Based CLEC Lines in
Ameritech's Illinois Service Areas as of September 2001

Method Used	Number of Facilities-Based CLEC Access Lines in Ameritech Territory		
	Residential [3]	Business	Total
Interconnection Trunks 2.75:1 Ratio + UNE-P	376,692	992,474	1,369,166
E911 Lines + UNE-P	463,912	827,058	1,290,970
Interconnection Trunks 1:1 Ratio + UNE-P	252,309	366,604	618,913

[2] All numbers quoted and data used in estimating competition in this affidavit are the most accurate numbers available to Ameritech as maintained in our internal systems. Various factors involved in the data collection process - including manual processes and reliance on CLEC data - may result in fluctuation of the numbers.

[3] Interconnection trunks were split using the E911 listings ratio of residential lines to business lines.

Table 2
Illinois CLEC Access Lines (Incl. Resale) – September 2001

Method Used	CLEC Lines	Estimated Market Coverage
Interconnection Trunks 2.75:1 Ratio + UNE-P +Resale	1,634,764	20%
E911 Lines + UNE-P + Resale	1,556,568	19%
Interconnection Trunks 1:1 Ratio + UNE-P + Resale [4]	884,511	12%

6. More significant than actual market entry is the CLECs' existing addressable market opportunity in Illinois. CLECs have already installed 35 switches in Illinois, which, if upgraded to maximum capacity, is enough switching capacity to serve over 80% of the Ameritech customers in Illinois. (See Table 4.) CLECs' existing collocation arrangements are in central offices that allow them to serve 96% of the business customers and 94% of the residential customers in Ameritech's serving area. (See Table 5.) CLECs are competing for customers, both residential and business, not only in central urban areas, but also in smaller communities such as Danville (pop. 33,904); Mount Vernon (pop. 16,269); and Sterling (pop.15, 451).[5]

7. Moreover, nearly every measure of local competition in Illinois is growing rapidly. Between September 2000 and September 2001, for example, unbundled network element (UNE) loops in Illinois grew 43%, facilities-based E911 listings grew 91%, and interconnection trunks increased over 41%. (See Attachment D.)

8. Competitors are employing a variety of innovative technologies and deployment strategies--including fixed wireless, cable, fiber, DSL, UNEs and resale--to provide services to the

[4] Ameritech believes the 1:1 line-to-trunk ratio is unrealistically conservative, especially given that the E911 database included in Table 1 (which is reported by the CLECs themselves) shows a larger market coverage than the 1:1 trunk ratio. For further explanation, see Interconnection Trunks and UNE-P section below.

local market. CLECs are actively marketing those services. Attachment E to this affidavit contains selected articles and CLEC advertisements soliciting customers in Illinois. These advertisements further demonstrate that the Illinois local market is open, and that CLECs are actively competing with Ameritech to win customers.

FACILITIES-BASED PROVIDERS

9. Facilities-based carriers with interconnection agreements with Ameritech are providing service in Illinois by building their own networks, leasing UNEs from Ameritech, or combining those two approaches.

10. Table 3 below identifies 41 Illinois facilities-based carriers that currently are providing service. Thirty-six of these carriers appear to provide local voice service to Illinois customers. The remaining carriers appear to provide other facilities-based services, such as DSL or data services. CLECs thus have demonstrated their ability to provide a variety of services to Illinois consumers. Further, as discussed later in this affidavit, CLECs currently providing data or DSL services are in no way precluded from deploying voice grade service if they choose to avail themselves of that option.

[5] Based on Collocation listing data.

*****Table 3*****
Facilities-Based Carriers in Illinois and
Their Methods of Providing Service - as of September 2001

Facilities-Based Provider	Use Own Facilities	Lease UNE loops &/or UNE-P
Adelphia Business Solutions		
Allegiance Telecom		
ALLTEL		
AT&T		
BroadBand Office Communications		
Choice One Communications		
CoreComm		
Covad		
DataNet Systems		
DSLnet		
Essex Communications		
Focal Communications		
Forte Communications		
Global Crossing		
Globalcom		
ICG Communications		
Intermedia Communications		
Intetech		
Intra Community Communications		
KMC Telecom		
Level 3 Communications		
Madison River Communications		
McLeod USA		
Mpower		
Net-Tel		
New Edge Network		
New Path Holdings		
NUVox		
Paetec Communications		
Pathnet		
Payphone Services		
Prism Communications		
Qwest		
RCN Communications		
Sprint		
TDS		
Teligent		
Winstar		
WorldCom		
XO		
Z-Tel Communications		

11. As the UNE-P chart in Attachment F indicates, several CLECs in Illinois are currently providing facilities-based service to both residential and business customers via UNE-P. These CLECs also provide service to business and residential customers through other means, such as resold lines, stand-alone UNE loops and their own facilities. As of September 2001, over 181,200 residential lines and over 8,900 business lines were being served using UNE-P. This is particularly impressive given that UNE-P is an extremely recent mode of entry for CLECs in Illinois and only began to be used in November of 2000.

12. Stand-alone UNE loops is another option that CLECs use to provide facilities-based service in Illinois. As of September 2001, there were 275,766 UNE loops being used by 24 CLECs to provision service in Illinois. (See Stand Alone UNE Chart in Attachment F.) The growth in stand-alone UNE loops has been significant, increasing 43% between September 2000 and September 2001. (See Attachment D.)

13. CLECs also provide service using their own networks. Ameritech does not have access to an exact accounting of access lines served by CLECs in Illinois over their own networks, nor does Ameritech have access to a detailed inventory of CLEC networks. Only the CLECs themselves have access to such data. However, as set out in detail below, CLEC records in Ameritech's E911 database and CLEC interconnection trunks provide two means of conservatively estimating the number of access lines currently served by facilities-based carriers in Illinois. In addition, CLEC collocation arrangements serve to identify the number of lines potentially targeted by those carriers for service in the future.

E911 DATABASE & UNE-P

14. Facilities-based CLECs that utilize their own switch(es) for providing service to their end users are responsible for directly inputting telephone numbers for those customers into the E911 database, and for designating whether the service provided to those telephone numbers is business or residential. Because facilities-based CLECs themselves are responsible for listing their customers' numbers in the E911 database, the database contains information that is not available through any other Ameritech database or system. The E911 database therefore provides a sound basis for conservatively estimating the number of local subscriber lines served by facilities-based carriers.

15. Facilities-based carriers are identified in the E911 database by a specific Company Identification (ID) Code. Among other things, this CLEC-specific ID Code allows the emergency services organization to contact the serving CLEC for emergency services, such as line interrupt and call trace. Using the CLEC's Company ID, the E911 database identifies which CLECs are providing local service and whether service to a particular telephone number has been designated as business or residential by the CLEC. Attachment F to my affidavit identifies the carriers providing facilities-based service to business and residential customers based on E911 data.

16. Standing alone, the E911 database substantially understates the total number of lines served on a facilities basis. Most significantly, E911 listings submitted by a CLEC do not include lines that the CLEC serves by leasing Ameritech UNE switch ports or UNE-P arrangements, since those lines are physically served off an Ameritech switch. To obtain a

more accurate estimate of CLEC facilities-based lines, Ameritech therefore adds to the E911 listings the UNE-P arrangements that CLECs have purchased.

17. As of September 2001, the E911 database showed that CLECs were serving 1,100,773 lines on a facilities basis in Illinois. As of the same date, CLECs served 190,197 lines over UNE-P. Together, these measures show that CLECs were serving at least 1,290,970 lines on a facilities basis in Illinois as of September 2001.

18. However, even when the E911-based estimate is adjusted to include UNE-P arrangements, it still results in an overly conservative estimate of CLECs' facilities-based lines. For example, E911 listings represent those customer lines from which outbound calls can be made. As a result, business customers such as call centers, reservation centers, telemarketing centers, and Internet providers will have few of their access lines represented in the E911 database. Also, CLECs themselves may make errors in entering E911 listings, and Ameritech does not "police" those entries to ensure that they are accurate and complete. For these reasons, the listings in the E911 database provide only a conservative estimate for the number of business and residential listings served by facilities-based CLECs.

INTERCONNECTION TRUNKS AND UNE-P

19. Interconnection trunks are used by facilities-based CLECs to connect their switching facilities to Ameritech's end-office or tandem switches for the purpose of passing traffic from their customers to Ameritech's customers or vice versa. Interconnection trunks, therefore, provide another means of estimating the number of customer lines served over

the CLECs' networks. As of the end of September 2001, CLECs in Illinois had installed 428,716 interconnection trunks.

20. Communications professionals use line-to-trunk ratios to determine the number of trunks required for delivering traffic to and from telecommunications networks. US LEC Corp. states that management experience indicates the use of a 5 to 1 lines-to-trunk ratio.[6] In its UNE Fact Report filed with the FCC during the UNE Remand proceeding, the United States Telecom Association (USTA) noted that, based on Incumbent Local Exchange Carrier (ILEC) engineering experience, a single trunk can support up to approximately 10 facilities-based lines. However, because CLEC networks may not yet be engineered with a high level of efficiency, and because CLECs may target individual customers, such as ISPs, that require a high number of interconnection trunks, USTA conservatively estimated that CLEC trunks are serving between 2.5 and 5 facilities-based lines per trunk.[7]

21. Taking the very conservative approach of 2.75 lines per trunk, the total facilities-based CLEC lines served by these trunks is 428,716 x 2.75 = 1,178,969 lines.

22. Like E911-based estimates, interconnection trunks do not include lines served by CLECs using UNE-P arrangements. UNE-P arrangements do not require interconnection trunks because the traffic need not be transported from the CLEC switch to the Ameritech switch.

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[6] US LEC Corp. Equivalent Access Lines, <http://www.uslec.com/equiv.htm>, visited June 13, 2001.

[7] See, e.g., the United States Telecom Association's UNE Fact Report filed with the FCC during the UNE Remand proceeding: "First, we can estimate CLEC lines based on the number of interconnection trunks CLECs are using. Facilities-based CLECs do not obtain trunks unless they have local lines and traffic to support and use such trunks. Based on ILEC engineering experience, a single trunk can support up to approximately 10 facilities-based lines. Since CLEC networks may not be engineered for maximum efficiency (*i.e.*, to serve the most efficient number of customers per trunk), and since CLECs disproportionately serve heavy-use Internet lines, we can conservatively assume that CLEC trunks are serving between 2.5 and 5 facilities-based lines per trunk." UNE Fact Report at III-14, attached to Comments of the United States Telecom Association, Implementation of the Local Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98 (filed May 26, 1999).

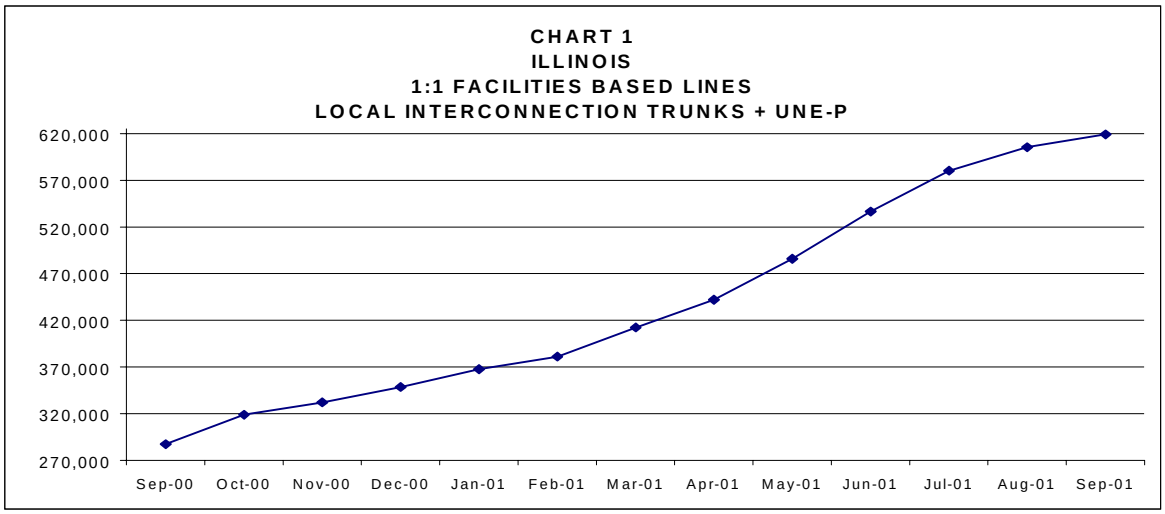
Consequently, it is appropriate to add the number of UNE-P lines to the line-to-trunk ratio in order to estimate the access lines served by facilities-based CLECs. Because the total UNE-P lines served by carriers in Illinois as of the end of September 2001 is 190,197, the total facilities-based lines serviced by CLECs is an estimated 1,369,166.

23. As noted earlier, only the carriers themselves know the number of business and residential lines they are currently serving over their own facilities. Absent specific data from the CLECs themselves, 1,369,166 facilities-based lines in Illinois is a conservative estimate based on the interconnection trunks currently being utilized by CLECs.

24. In its comments on SWBT's Texas 271 filing, the Department of Justice (DOJ) disagreed with the 2.75 lines per trunk ratio used to estimate the number of access lines being served by facilities-based CLECs. The DOJ instead recommended a 1:1 ratio as a "more reasonable multiplier."[8] That 1:1 line-to-trunk ratio is unrealistic. Nevertheless, even the unrealistically conservative 1:1 ratio shows substantial local competition in Illinois. Chart 1 provides a graphic illustration of the growth in CLEC lines based on local interconnection trunks (at a 1:1 line-to-trunk ratio), plus UNE-Ps in Illinois from September 2000 through September 2001. This chart clearly demonstrates extensive competition in Illinois, as well as rapid and sustained growth.

25. Regardless of whether estimates of facilities-based competition are based on E911 data or on interconnection trunks, the numbers demonstrate that customers in Illinois have a choice in local service providers, and that competing providers have established themselves as a

significant and growing presence in the marketplace.



CLEC SWITCHES

26. While CLEC switches are of limited utility in quantifying the exact number of customers and access lines served by CLECs, it is illuminating to consider the raw capacity contained in CLEC switch deployments. Before the advent of fiber optics, the practical distances over which copper loops operated largely determined wire center boundaries. Therefore, the number of Ameritech local switches was initially determined by this limitation.

27. Today, through the use of fiber optic networks, switches can serve customers at a much greater distance than before. In addition, remote-switching modules can operate up to 600 miles from the main switch. In today's environment, local switching is limited by capacity, not distance, and modern switches are modular, meaning that capacity can be added quickly

[8] See Comments of the United States Department of Justice at fn. 15, Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region InterLATA Services in Texas, CC Docket No. 00-4 (FCC filed Feb.14, 2000).

as needed. As a result, CLECs can place a single switch in a metropolitan area and serve the entire surrounding community. As the following table shows, the CLEC switches currently installed in Illinois, if upgraded to maximum capacity, would have sufficient capacity to serve 82% of the access lines that Ameritech serves in the entire state of Illinois.

Table 4 [9]

CLEC Switches in Illinois

No. of Operational CLEC Switches in Illinois	Maximum Capacity of CLEC Switches	Ameritech Access Lines Illinois	% CLEC Access Line Coverage Based On Current Switch Placement
35	5,415,000	6,637,915	82%

Note: The number of operational CLEC Switches is an estimate only. Additional CLEC switches may be deployed which are not counted here, and these would only further increase the raw capacity reported above. Switches above include 5ESS, Siemens EWSD, ICS2000, DMS-100/500/10 - capacities are the aggregate of manufacturer's specifications at full capacity.

28. The competitive significance of CLEC switching capabilities is further revealed when the central offices in which CLECs have chosen to collocate are more closely examined, as in the next section.

COLLOCATION

29. Ameritech provides collocation to facilities-based carriers. These carriers use collocation as one means of obtaining interconnection and access to unbundled network elements. The existence of collocated carriers – and the locations selected by those carriers for their collocation – therefore provide a strong indicator of both the existence of and potential for facilities-based competition.

30. Not every collocation facility is used for voice telephone service. Some may be used, for example, to provide data services or private line services. Nevertheless, each collocation

[9] Switch data from New Paradigm Resources – CLEC Report 2001 14th Edition.

represents a step in the development of a competitive network by a facilities-based carrier. As of the end of October 2001, Ameritech had 897 physical and 206 virtual collocations in 163 of its Illinois wire centers.

31. As indicated in Table 5 below, CLECs have chosen to collocate in Illinois wire centers that serve a large portion of the business and residential lines provided by Ameritech. Thus, through collocation, facilities-based CLECs have positioned themselves to directly compete for the vast majority of customers – both business and residential – currently served by Ameritech.

Table 5
Total Lines versus Lines in Collocation Wire Centers
In Ameritech Illinois Serving Areas

		October -01	October-01	October –01
		All Ameritech Wire Centers	Collocation Wire Centers	Percent of Total
Illinois	Number of Wire Centers	282	163	58%
	Access Lines			
	Business	2,846,942	2,736,097	96%
	Residence	3,790,973	3,547,850	94%
	Total	6,637,915	6,283,947	95%

32. Through their collocated equipment, facilities-based CLECs are in position to serve 94% of the residential access lines and 96% of the business access lines currently served by Ameritech in Illinois.

33. Several CLECs included in the calculations in Table 5 above (DSL.net, New Edge Networks, and others) provide DSL or data services in other states and are now collocated in Illinois. A CLEC's decision to enter the market through data or DSL services in no way prevents that carrier from also providing voice grade telephone service. Further, the

collocation activity of these CLECs demonstrates that they are positioning themselves to be able to provide a full range of services to the majority of Illinois customers in the future.

RESALE PROVIDERS

34. In addition to the previously mentioned facilities-based providers, numerous CLECs provide service in Ameritech's service territory via resale. Significantly, some CLECs providing facilities-based services to businesses (and in many cases residences) also provide resold services to residential customers, therefore demonstrating compliance with "Track A" through the existence of resold residential services.[10] (See Attachment F.)

Table 6
Resold Lines in Ameritech's Illinois Territory as of September 2001

CLEC	Business Lines	Residence Lines	Total
Pure Resellers' Resold Lines	80,950	33,911	114,861
Facilities-based CLECs' Resold Lines	120,688	30,049	150,737
Total Resale	201,638	63,960	265,598

NOTE: Coin is included in Business Lines

CONCLUSION

35. The evidence is clear that in Illinois, utilizing Ameritech's interconnection agreements, there is "one or more unaffiliated competing providers of telephone exchange service…to residential and business subscribers."[11] Numerous CLECs provide these services either exclusively or predominantly over their own facilities. These competitors have enlisted a wide variety of technologies to deploy networks and make services available to consumers in the majority of the communities in Illinois. They present actual commercial alternatives

[10] *See* the Kansas-Oklahoma Order, ¶ 43, fn. 101, where the FCC specifically noted that compliance with Track requirements may be demonstrated through the existence of resold residential service.

for both residential and business customers.[12] The "Track A" provisions of the Act have been satisfied.

36. This concludes my affidavit.

[11] 47 U.S.C. §271(c)(1)(A).

[12] According to the FCC's *Local Telephone Competition: Status as of December 31, 2000* publication issued in May 2001, and as reported by the CLECs that responded to the FCC, 38% of the CLEC served lines in Illinois provided service to residential and small business customers as of December 31, 2000. (Table 8.) See Attachment G, the FCC's Press Release announcing its publication.

The information contained in this affidavit it true and correct to the best of my knowledge and belief.

Executed on _____, 2001

_____

Deborah O. Heritage
Director – Compliance for SBC/Ameritech

STATE OF ILLINOIS
COUNTY OF COOK

Subscribed and sworn to before me this _____ day of _____, 2001.

_____
Notary Public